



Farmers & Merchants State Bank

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Doerr
(D. Promani)

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October 3, 2005

Director John F. Carter
FDIC Regional Office, Suite 2300
25 Jessie Street at Ecker Square
San Francisco, CA 94105

Re: Wal-Mart ILC Application

Dear Director Carter:

I appreciate the opportunity to comment on the pending ILC application of Wal-Mart Corporation. I personally believe very strongly in the free enterprise system and typically welcome any and all competitors. My concerns are less to do with Wal-Mart itself, but as to the fairness issue and the potential issues of "too big to fail" if problems were to develop. My issues are the following:

- **Fairness** – While the thought of competing with Wal-Mart is daunting given their track record in the retail sector, I do believe it is their right to enter into the financial services arena. Saying that, a level playing field of regulation, including the Community Reinvestment Act (CRA) which I believe Wal-Mart is seeking an exemption from, is a must. A full disclosure on the intentions of Wal-Mart by releasing additional information on their ILC application should also take place. The power and size of Wal-Mart should make full disclosure a requirement to insure that other financial services providers are not put at a disadvantage. An ILC charter does not seem to be the appropriate vehicle for someone the size of Wal-Mart.
- **Too Big To Fail** – This issue is significant and can not be overlooked. If Wal-Mart were to be allowed to get into the industry, and then branch and or acquire other financial institutions, they quickly would turn into a significant force in the industry. They also could have major impacts on the many smaller communities that they have locations in, and I do emphasize in, any financial issues were to arise with their financial arm. Significant safeguards must be built into the system to protect the many financial institutions. It is my belief that these safeguards must be built in up front. It would be foolhardy to assume that Wal-Mart is going to remain a minor player once they get a foothold into the financial system. Significant due diligence is needed in this area.

Thank you again for the opportunity to comment on this important development.

Sincerely,

Thomas Wierschem
CEO/President



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